Item 546-D GAO/13:CED-81-66

MAR 25 1981

REPORT BY THE

Comptroller General

OF THE UNITED STATES

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The Council On Environmental Quality: A Tool In Shaping National Policy

Created in 1970, the Council on Environmental Quality is a relatively small body in the Executive Office of the President. With only 32 full-time permanent staff and an annual budget of about $3 million, CEQ nevertheless has much influence over national environmental policy. CEQ serves as environmental advisor to the President and to the Congress--a unique role that many believe could not be filled effectively by another agency.

This report discusses CEQ's role, its methods of carrying out that role, and perceptions of CEQ by the White House, Federal agencies, and environmental and other groups.

CED-81-66

MARCH 19, 1981

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

B-202230

The Honorable Edwin Garn
Chairman, Subcommittee on HUD-
Independent Agencies
Committee on Appropriations
United States Senate

Dear Mr. Chairman:

Here is our report on the operation of the Council on Environmental Quality. This report discusses CEQ's responsibilities and how they have been carried out. The report also discusses the questions of whether another agency could effectively fill CEQ's role and whether there is a continued need for the role.

We are sending copies of the report to the Director, Office of Management and Budget, and the Chairman, Council on Environmental Quality.

Sincerely yours,

Milton J. Socolar

Acting Comptroller General
of the United States

T. P.

COMPTROLLER GENERAL'S
REPORT TO THE CHAIRMAN
SUBCOMMITTEE ON HUD-
INDEPENDENT AGENCIES
SENATE COMMITTEE ON
APPROPRIATIONS

THE COUNCIL ON ENVIRONMENTAL QUALITY: A TOOL IN SHAPING NATIONAL POLICY

D I G E S T

Since its inception in 1970, the Council on Environmental Quality (CEQ) has been influential in shaping the Nation's approach to protecting and preserving our environment. CEQ serves as environmental advisor to both the President and the Congress and has broached issues such as solar energy, land use, toxic substances, and endangered species. Working with other Federal agencies and the Congress, CEQ has been instrumental in the passage of major environmental legislation. Through direct staff work and contracts, it has conducted studies and published works on the environment. For example, its recent report "The Global 2000 Report to the President" issued in June 1980, has been highly acclaimed as an analysis of mankind and the environment through this century.

CEQ's ORGANIZATIONAL STRUCTURE

CEQ is organized by environmental issue areas to provide broad but flexible coverage of major environmental concerns and problems. Its workload consists of projects required by law, special projects requested by the White House, and self-initiated projects. (See pp. 4 to 6.)

CEQ's staffing has gradually declined from a high of 72 (52 permanent and 20 temporary) during 1971-73 to the current 49 (32 full-time and 17 temporary). Because of its small staff, CEQ contracts with individuals and organizations to perform research, analyze data, and write reports. (See pp. 6 and 7.)

CEQ's funding has gradually increased from $1.5 million in fiscal year 1971 to $3.1 million in fiscal year 1980.

Additionally, CEQ uses interagency agreements to fund many of its contracts. Of the seven projects GAO reviewed, $3.8 million of the

$4.4 million contract costs were being funded through interagency agreements. (See pp. 8 and 9.)

CEQ's ROLE: BALANCING FEDERAL ACTIONS WITH ENVIRONMENTAL GOALS

CEQ was established to oversee and coordinate Federal environmental efforts. It accomplishes this mandate primarily through four functions. Specifically, CEQ

--advises the President and the Congress on major environmental issues and problems,

--coordinates the environmental efforts of Federal agencies' programs,

--acts as a clearinghouse for environmental information, and

--formulates and issues regulations for Federal agencies to follow in reporting the environmental impacts of programs. (See p. 10.)

While CEQ has only limited authority over Federal agencies' actions in the environmental area, it exercises much influence over them. Because of CEQ's access to the President--for instance, the CEQ Chairman attends Cabinet meetings--agencies tend to cooperate, recognizing that CEQ represents the President's views and policies on environmental matters. (See p. 12.)

As a clearinghouse for environmental information, CEQ prepares and distributes extensive information on environmental trends and issues. CEQ's annual report, for instance, is used for research and instruction and is considered an up-to-date source of comprehensive environmental data and analysis of current environmental programs and policies. (See pp. 13 and 14.)

CEQ has also developed and issued reporting regulations for Federal agencies to use in meeting the requirements of the National Environmental Policy Act. (See pp. 15 and 16.)

NEED FOR CEQ

CEQ's role is perceived as unique and important. It enjoys a reputation for being an effective agency that addresses environmental issues from other than a regulatory perspective. Most believe that

another agency would not be as effective in carrying out CEQ's mandated responsibilities. (See p. 17.)

GAO agrees that CEQ has been successful in carrying out its responsibilities. GAO also perceives a continuing need for CEQ's delicate role of balancing environmental concerns with the many Federal actions dealing with other national concerns, such as energy development and economic growth. (See pp. 17 and 18.)

AGENCY COMMENTS

CEQ said that it had no disagreements with this report.

Tear Sheet

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ABBREVIATIONS

CEQ	Council on Environmental Quality
EIS	environmental impact statement
EPA	Environmental Protection Agency
GAO	General Accounting Office
NEPA	National Environmental Policy Act
UPGRADE	user prompted graphic data evaluation

CHAPTER 1

INTRODUCTION

The decade of the 1970s was a period of intense environmental activity spawning new and comprehensive environmental legislation and organizations. Major amendments to the Clean Air Act were passed and the Clean Water Act and National Environmental Policy Act (NEPA) were signed into law, resulting in what many refer to as the Federal environmental conscience. The Council on Environmental Quality (CEQ) is a product of the increased environmental awareness of this period. At the time of its inception in 1970, CEQ was hailed as the first broad-based environmental organization in the Federal Government. Other agencies, such as the Forest Service, Fish and Wildlife Service, and the Federal Water Pollution Control Administration, predated CEQ, but each focused on special environmental problems. However, CEQ, established in the Executive Office of the President, was charged with overseeing and coordinating the whole range of environmental policy issues.

Structurally, CEQ is composed of a Council, created by NEPA, and the Office of Environmental Quality, established by the Environmental Quality Improvement Act of 1970. The Council consists of three Presidentially appointed (with the advice and consent of the Senate) Council members, one of whom the President designates as Chairman. The Chairman also serves as Director of the Office of Environmental Quality, which provides staff and support for the Council. The Council and the Office do not function separately. They operate under the same budget, and, practically speaking, the title CEQ refers to both the Council and its Office of Environmental Quality.

While its primary mandate of balancing Federal actions with environmental quality goals has not changed, CEQ's focus in accomplishing this mandate has changed over the years. During the early 1970s, CEQ was deeply involved in drafting and pursuing enactment of environmental legislation. In later years it directed its efforts at Federal agencies' implementation of NEPA, which, among other things, required Federal agencies to report on the potential environmental impact of Federal programs. By the end of the decade, CEQ had established environmental benchmarks, statistics, and quality indicators to assess changes in the environment. CEQ now sees its role, in light of the current economic conditions, as working to maintain environmental policies established during the past decade, in part by demonstrating that economic growth and environmental quality improvement need not be directly opposing goals. For instance, CEQ is encouraging the exploration of solar energy as one way of working toward these goals.

In its 11-year history, CEQ has helped to develop policy for the President with broad implications in such diverse areas as Federal land management, toxic substances, and endangered

species. In the Federal land management area, for example, CEQ commissioned studies which contained recommendations to the Secretary of the Interior for regulations limiting the use of off-road vehicles on public lands. CEQ, in conjunction with other agencies, has also prepared legislation--such as the Toxic Substances Control Act of 1976--to control certain harmful substances. Its studies and recommendations on endangered species resulted in the issuance of an Executive Order in May 1977 to better protect these species. Perhaps one of CEQ's most widely acclaimed projects is its recently published report (July 1980) "The Global 2000 Report to the President," a study of the many environmental factors affecting mankind today and through the year 2000.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of this review were to determine if a need continues to exist for the role CEQ plays and whether that role could be effectively filled by another agency. Additionally, we wanted to determine how well CEQ has performed since its inception. Our approach in accomplishing these objectives was to identify CEQ's responsibilities, gather data and opinions concerning its performance, and then determine whether another agency could effectively carry out CEQ's responsibilities.

To identify CEQ's responsibilities, we analyzed the National Environmental Policy Act of 1969; the Environmental Quality Improvement Act of 1970; and Executive Orders 11514, dated March 5, 1970, and 11991, dated May 24, 1977. These are the basic statutes and directives which established CEQ and defined its responsibilities.

To assess CEQ's performance, we sought out and interviewed persons both in and out of government who are knowledgeable about CEQ's performance. Specifically, we interviewed a representative of the domestic policy staff of the White House, several program managers in the Environmental Protection Agency (EPA) and the Departments of Energy and the Interior, a representative of the Government Printing Office, and several staff members of the Congressional Research Service. Additionally, we randomly selected and interviewed CEQ report recipients that we identified from a CEQ mailing list. These recipients had asked to receive CEQ reports during a 4-month period--a typical time frame for CEQ publication requests. We asked these recipients for their assessment of the reports' usefulness, timeliness, and accuracy. These individuals included private citizens, local and Federal Government officials, and representatives of three environmental groups. We believe they provided a reasonable indication of the acceptability of CEQ reports to recipients.

We also reviewed CEQ's operational policies, including an overview of seven major contracts for studies, and we interviewed key CEQ staff. We did not, however, examine CEQ's detailed contracting procedures as this is the subject of another GAO review. Specifically, we interviewed 11 of the 32 full-time CEQ employees, including the Chairman, the Executive Director, the Administrative Officer, and many of the senior staff, to determine their methods of operation, their individual roles in CEQ, and CEQ's overall role in the Executive Office of the President.

To determine whether the need for the role that CEQ performs still exists and whether another agency could effectively carry out that role, we questioned agency officials and a White House spokesman. Specifically, we talked to senior program managers at EPA and the Departments of Energy and the Interior and a representative of the White House domestic policy staff.

We gathered statistical data on CEQ's annual appropriations, which is presented in appendix I. Overall, we believe the results of our interviews and our analyses of records provide an accurate description of CEQ's responsibilities and performance.

This review was conducted during the period of August to December 1980.

CHAPTER 2

CEQ ORGANIZATIONAL STRUCTURE

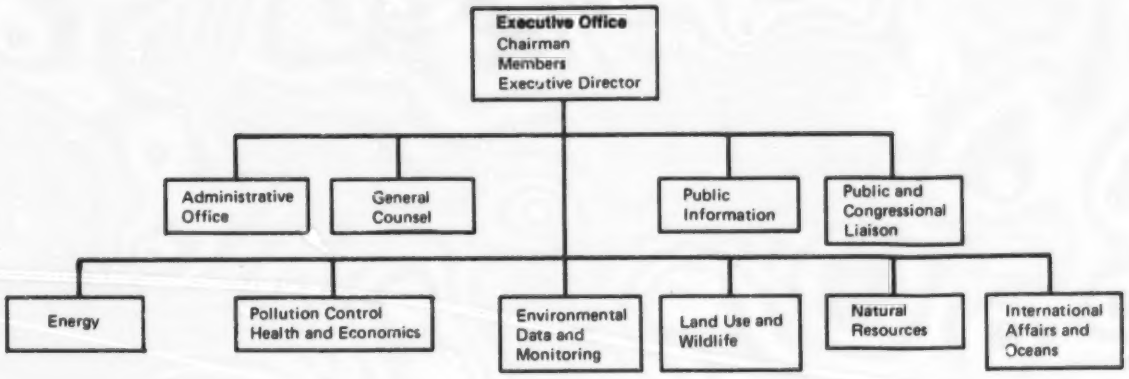
CEQ's organizational structure is designed to provide clear lines of authority and responsibility for major environmental issues. Its workload consists of recurring projects required by existing legislation, special projects as requested by the White House and the Congress, and other projects that CEQ staff and management believe need to be undertaken. Because of its limited permanent staff, CEQ uses personnel from other agencies and temporary staff. Also, CEQ contracts out for the performance of many of its studies. While CEQ's contracting procedures were not within the scope of the review, we did note instances in which contractor studies were not completed within the original milestone dates and several contractor products which required rewriting or extensive editing.

Finally, while CEQ's staffing has decreased, its annual appropriations have increased from $1.5 million in fiscal year 1971 to $3.1 million in 1980. Additionally, CEQ relies heavily on interagency agreements to fund many of its contracts--of the seven projects we reviewed, $3.8 million of the $4.4 million in contract costs were being funded through interagency agreements.

CEQ IS ORGANIZED BY MAJOR ISSUE AREAS

CEQ is organized into six substantive issue areas addressing major environmental interests. The Chairman, CEQ, believes that while this current organizational structure provides broad coverage of today's environmental concerns, it is also flexible enough to allow for a redirection in any one area or areas should there be a change in emphasis on national or global environmental problems.

The following chart shows CEQ's organizational structure as of December 1980. The Executive Office consists of the Chairman and members as created by NEPA, and the remaining offices and the Executive Director are staffed by personnel provided for under the Environmental Quality Improvement Act.



Each issue area has clearly established lines of authority and responsibility. A senior staff member leads each issue area, with a specific Council member having lead responsibility for each of the areas. The Chairman is responsible for all CEQ activities, with members reporting to him on substantive areas for which they are responsible. The Chairman's responsibility likewise includes issues that involve more than one Council member or substantive issue area (for example, preparation of CEQ's annual report or the President's environmental message).

In addition to the six substantive issue areas, CEQ has four other offices. First, the Office of General Counsel ensures that Federal agencies are conforming to CEQ's regulations for implementing the procedural provisions of NEPA. Second, the Office of Public and Congressional Liaison provides information on CEQ activities and serves as liaison to the Congress. Third, the Office of Public Information issues press releases and distributes CEQ publications. Finally, the Administrative Office is responsible for CEQ's day-to-day administrative matters.

The current organization evolved gradually over the last decade. During the early and mid-1970s, a large part of CEQ's work was directed at preparation and release of the environmental reporting procedures and reviews of environmental

impact statements (EIS) required by NEPA's implementation. According to CEQ officials, the EIS staff was as large as the entire substantive issue staff. After the 1977 reorganization of the Executive Office of the President, much of the routine administrative responsibility for the EIS oversight process was transferred to EPA. Substantive issue areas have taken a more prominent position in CEQ's operations, and the EIS staff no longer exists.

PRIORITY PROJECTS DETERMINE CEQ's ANNUAL PROGRAM PLAN

CEQ's program planning is done each year and is considered an important activity, given CEQ's staff and budget limitations. Through program planning CEQ identifies projects and sets priorities to meet its recurring legislatively mandated requirements, other demands placed upon it, and projects it believes need to be done.

Specific recurring congressional and executive requirements account for over 75 percent of CEQ's annual budget. For example, about 15 percent of its resources are committed yearly to preparing and issuing an annual environmental report, which is required by NEPA.

The remaining 20-25 percent of CEQ's budget consists of projects either requested by others or undertaken by CEQ staff. For instance, the Congress directed CEQ to conduct a study and prepare a report on noncoal minerals mining and reclamation. Another project--a study on solar energy--was self-initiated. We were told by the Executive Director that all requests for self-initiated projects are reviewed to ensure that they do not duplicate ongoing studies at other agencies, are unique, and concern important environmental issues. Although certain CEQ projects may concern issues which are also being pursued by other agencies, the Executive Director pointed out that CEQ usually is approaching the issue from a different perspective.

LIMITATIONS OF CEQ RESOURCES

CEQ is a relatively small agency in terms of staffing and funding. (Both the Chairman and Executive Director proudly speak of the "lean" operation they manage.) Staffing has gradually decreased from a high of 72 during 1971-73 to the current level of 49. Funding for the agency has risen from $1.5 million in 1971 to $3.1 million in 1980. To handle the projects which it has programed, given its current level of resources, CEQ frequently uses detailees from other agencies and temporary staff to assist its permanent staff and also relies on interagency agreements to fund most of its contracts.

Staffing

In establishing the Office of Environmental Quality, the Congress provided for the employment of "no more than ten specialists and other experts." CEQ's senior staff occupy these positions, which are among the highest salaried positions in CEQ. CEQ officials said that they fill these positions with individuals having a high level of expertise in such disciplines as physics, ecology, economics, toxicology, and law. Additionally, one or more staff members with specific technical proficiency may assist the senior staff in each issue area. Many of CEQ's senior staff have come from industry, academia, and professional staff of major environmental organizations.

CEQ senior staff are sought out for particular projects and normally remain at CEQ for 3 to 6 years. When they depart--usually for high-level positions in other Federal agencies or private organizations--their positions are filled, resulting in a complete senior staff turnover every 3 to 6 years. The Chairman believes that this turnover helps rejuvenate CEQ. As a result, he believes CEQ can reassess the emerging national problem areas and redirect its efforts by hiring replacements, possibly with new areas of expertise. At the same time, the departing experts move to industry, consulting firms, or other Federal agencies, such as EPA and the Department of the Interior, with what they believe is an invaluable training experience.

The Chairman believes that the limited size of CEQ's staff is beneficial. For example, all staff members have direct access to the Chairman and Council members, thus facilitating the exchange of information. Also, internal policies, procedures, and regulations are less formal, according to CEQ officials, allowing the Council to respond quickly to Presidential requirements or national needs.

CEQ's staff has been shrinking since the early 1970s; however, staff detailed from other agencies and temporary appointments have helped CEQ cope with staff reductions. CEQ began with 18 persons in 1970, increased to a maximum of 72 during 1971-73 (52 permanent and 20 temporary), and has gradually decreased to the current level of 49 (32 permanent and 17 temporary). The most recent reduction of eight staff positions occurred in 1977 by transferring administrative positions to EPA (for dealing with filing and other routine administrative aspects of the EIS function) and other positions to the Office of Administration (also within the Executive Office of the President), which performs some administrative functions (maintaining payroll and personnel records, etc.) for all Executive Office agencies.

Because of its small staff, CEQ frequently contracts with various individuals and organizations to perform research, analyze data, and write reports. These contractors include research institutions, universities, and individuals. CEQ staff are involved in original research less than 50 percent

of their time. They define what is to be done on a project, monitor contractor progress, and help write or rewrite reports.

Observations on contractor studies

During this review we noted several instances ir which contractor studies for CEQ were not completed within the original milestone dates and that several studies required rewriting or extensive editing. We did not, however, examine these cases in detail because of another ongoing GAO review of CEQ's contracting procedures. We discussed our observations with the Executive Director; the following is a brief discussion of our observations and his comments.

The Chairman and Executive Director believe CEQ usually receives a good product at a reasonable price from contractors. In several instances, however, contractor products were delivered late or required rewriting. For example, one major study was over a year late. Two other studies, according to CEQ senior staff, did not meet the contract objectives and were returned to the contractor for rewriting. In one case, CEQ considered withholding payment. Some contractors' products have also required extensive CEQ revision before publication.

The Executive Director expects some contracts, as a matter of course, to produce products which may not be of the high caliber CEQ strives to achieve or may not be produced in the originally scheduled time frames. Thus, sometimes either CEQ or the contractor must edit or rewrite reports. Because CEQ's reputation rests heavily on its reports, it closely scrutinizes all of its publicly distributed products. Also, the Executive Director believes that, because many of the studies address areas about which little is known at the start, it is difficult to accurately estimate the reporting time frames.

Funding

CEQ's funding has increased since its inception from $1.5 million in 1971 (first full-year appropriations) to $3.1 million in 1980. (See app. I for CEQ's appropriation history.) Of its total annual appropriation, CEQ plans to directly fund about $250,000 in contracts. The level of contracts initiated yearly, however, is significantly higher. For instance, in fiscal year 1980 CEQ proposed over $4.5 million in contracts--the difference between the amount funded by CEQ for contracts ($250,000) and the total amount of contracts proposed (about $4.5 million in fiscal year 1980) is funded through interagency agreements.

The Executive Director told us that most of the larger studies CEQ undertakes are interagency projects involving cooperation between CEQ and other agencies in defining objectives and work to be performed. CEQ provides professional staff support and only minimal or token funding,

the other participating agencies provide the bulk of the funding. In some cases, such as the "Global 2000" study, the President may direct other agencies to assist CEQ. In that instance, 11 agencies were directed to participate with CEQ on the project--this assistance included over $550,000 of interagency funds to support the contracted study (total contract cost was just over $625,000). More commonly, however, the Chairman and CEQ staff must seek the support of other agencies that might have interest in various aspects of projects.

Obtaining this funding support is an ongoing process throughout the year. CEQ's success in funding projects through interagency agreements has been quite good--for the seven projects we reviewed, we found that $3.8 million of the $4.4 million contract costs were funded by interagency agreements.

Various agencies have entered into interagency agreements with CEQ for a number of reasons. These agencies include EPA and the Departments of the Interior, Energy, and Agriculture, to name a few. Agency officials believe that CEQ's sponsorship of studies lends credibility and removes bias in the final product. CEQ staff also add their technical and writing expertise to the final report. Lastly, CEQ provides assistance to other agencies in meeting contract administration and supervision workload. For example, an agency may enter into one agreement with CEQ to participate in portions of several different studies. Subsequently, CEQ develops the study plans, meets during the studies with the contractors, reviews the draft reports, edits or rewrites as necessary in preparation for final publication, and arranges for the reports distribution.

CHAPTER 3

CEQ BALANCES FEDERAL ACTIONS WITH ENVIRONMENTAL GOALS

The National Environmental Policy Act declared that there was a need for a national policy to protect the environment, and in conjunction with the Environmental Quality Improvement Act, established CEQ to oversee and coordinate Federal environmental efforts in achieving this goal. CEQ accomplishes its mandate of balancing Federal actions with environmental quality goals primarily through four functions. Specifically, it

- --advises the President and the Congress on environmental issues, such as the status of pollution control and the effect of population growth on the environment;
- --coordinates environmental efforts of Federal programs;
- --acts as a clearinghouse for environmental information; and
- --formulates and issues regulations for Federal agencies to follow in reporting the environmental impacts of programs.

CEQ DEVELOPS AND ANALYZES ENVIRONMENTAL POLICY FOR THE PRESIDENT AND THE CONGRESS

CEQ is required by law to provide the President and the Congress with authoritative, timely advice on the environment and does so in numerous ways. As required, CEQ informs the President on conditions and trends in the quality of the environment from a national and global perspective. While providing direct advice, staff support, and technical expertise in helping the administration formulate environmental policy initiatives, CEQ also reflects the President's concerns on the environment in its coordination and oversight role with other Federal agencies. CEQ, through studies, analyses, and testimony, also responds to congressional requests for information on and assessments of environmental issues and programs.

CEQ influences the President's environmental program

One of CEQ's key mechanisms for communicating environmental concerns to the administration is frequent meetings with the President and his staff. The Chairman of CEQ attends Cabinet meetings and biweekly White House senior staff meetings and is called upon to provide input to the formulation of national environmental policy. The Executive Director of CEQ attends daily White House deputies meetings of the White House senior staff and Executive Office agencies.

In addition to participating in high-level Cabinet meetings, CEQ is responsible for a number of written products for the administration. CEQ submits a weekly report to the President summarizing major environmental concerns and trends. CEQ also assists in preparing decision memorandums for the President on matters which involve significant environmental issues. Routinely CEQ prepares for the President, the White House senior staff, or other officials within the Executive Office of the President memorandums addressing pending issues or recommending new initiatives. These memorandums often lead to administration initiatives, resolutions, Executive orders, or legislative proposals. For example, CEQ had principal responsibility for preparing the President's 1977 and 1979 "Environmental Messages," which set out the administration's environmental priorities for the Nation, reaffirmed fundamental environmental policies, and announced new initiatives. The 1977 message directed CEQ and the Department of State to conduct a "study of the probable changes in the world's population, natural resources, and the environment through the end of the century." The study culminated in the "Global 2000 Report to the President." Upon receipt of this report, the President established a task force, chaired by CEQ, which has as its principal responsibility the task of providing the President with recommendations on problem areas needing priority attention.

The Deputy Assistant to the President for Domestic Affairs and Policy characterized CEQ's input to the formulation of environmental policy during the Carter administration as timely and reliable. He felt that CEQ plays a vital role as an environmental policy advisor and has established a reputation for objectivity and impartiality. While senior CEQ officials and White House representatives agree that CEQ has had a direct, active role in advising the Carter administration, they believe the relationship between the White House and CEQ depends greatly on the President's style and environmental concerns.

CEQ serves as a resource for the Congress

CEQ accumulates, analyzes, and presents data on environmental issues and trends for the Congress. For example, as required by section 204 of NEPA, CEQ prepares the President's annual environmental report to the Congress. In response to congressional requests, it also prepares independent studies and congressional testimonies. During 1980, CEQ testified before the Congress on 15 occasions on such issues as energy conservation, national coastal protection and management policy, and environmental effects of synthetic fuel development.

CEQ COORDINATES FEDERAL ENVIRONMENTAL QUALITY PROGRAMS

CEQ is recognized by other Federal agencies as an effective and impartial coordinator of Federal environmental policies and a facilitator of communications among agencies. Basically,

CEQ works closely with Federal agencies in producing interagency reports that the President and the Congress require and monitors the implementation of Presidential directives on environmental issues.

According to the Chairman, agencies with programs directly affecting the environment, such as the Departments of the Interior, Commerce, and Energy, currently interact more extensively with CEQ than EPA, the principal Federal environmental regulatory agency.

CEQ interacts with agencies

CEQ's primary role as coordinator is to foster a consensus among agencies on the ultimate goals for integrated environmental programs. For example, the Executive Director said that various Federal agencies initially disagreed on the role solar energy should play in the administration's program to achieve energy independence. Through its coordinating efforts, CEQ helped establish the national goal for solar energy--a goal ultimately shared by other Federal agencies.

As a coordinator, CEQ works with several agencies through an array of interagency committees and task forces. In several instances, the Congress has directed CEQ to chair certain interagency committees and task forces, and CEQ has served as chair on other interagency committees at the President's request. At present, CEQ plays a role in about 45 interagency task forces and committees--of which 6 to 8 require substantial CEQ involvement. CEQ chairs or cochairs such diverse groups as the Toxic Substances Strategy Committee, Environmental Monitoring and Data Task Force, and the Integrated Pest Management Coordinating Committee. Groups such as these have developed major environmental policy and program recommendations. As chair for some of these groups, CEQ has been recognized and accepted by agency officials as providing advice and focus in mediating discussions and as finding a consensus on issues which cut across agency lines.

Various agency officials stated that while CEQ has only limited authority to force Federal agencies' actions in the environmental area, it has powerful indirect influence on them. They stated that CEQ's power comes from its access to the Oval Office and its ability to persuade the President to act. Hence, agencies tend to cooperate, recognizing that CEQ represents the President's views and policies on environmental matters.

CEQ SERVES AS ENVIRONMENTAL INFORMATION CLEARINGHOUSE

As part of its goal to formulate national environmental policies, CEQ prepares and distributes a considerable amount of information on environmental trends and issues. CEQ has issued public reports, statistical compilations and analyses, memos

to agency heads, congressional testimonies, speeches, journal articles, and position papers. Much of CEQ's information is distributed through the Superintendent of Documents (sale of CEQ publications), direct distribution of reports to the interested public, and user access to the environmental data stored in CEQ's computer system.

CEQ reports are varied, widely distributed, and considered good by requestors

During fiscal year 1980, CEQ sponsored 21 studies with a total printing of over 180,000 copies. Most were distributed free to a variety of individuals, groups, and organizations. Some of the more significant reports included "Our Nation's Wetlands" (50,000 copies), "Federal Financial Assistance For Pollution Prevention and Control" (50,000 copies), "Environmental Quality--1979: The Tenth Annual Report" (35,000 copies), and "The Global 2000 Report to the President" (33,000 copies). 1/

While a number of CEQ publications address current topical issues through original research, other products are synthesized and compiled data generally available from various sources. For instance, the report "Environmental Statistics 1978" was the first attempt to periodically compile a wide range of environmental data to use in policy analysis. This compilation of statistics was part of CEQ's effort to develop a set of environmental indicators similar to currently used economic indicators.

The single most requested CEQ publication is its annual report, which discusses major environmental issues and developments. It is used both for research and instruction and is considered by many as an up-to-date source of comprehensive environmental information. 2/ About 35,000 copies of the 800-page 1979 edition have been distributed to Federal and State agencies, the Congress, the environmental community, and the American and foreign public.

CEQ's Information Officer distributes reports to the public, Federal agencies, and environmental organizations, as well as to the President and the Congress. CEQ uses a com-

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1/The Government Printing Office prints the bulk of CEQ's publications and charges it for copies delivered--about $237,000 in fiscal year 1979. In addition, it prints extra copies of CEQ reports for stock and later sale to the public through the Superintendent of Documents.

2/We did not evaluate the accuracy or reliability of the data. However, in a soon to be released report, "Better Monitoring Techniques Are Needed To Assess The Quality of Rivers and Streams," we question the reliability of the water data presented in CEQ's Annual Report.

puterized mailing list of about 12,000 names to identify interested parties. This list was developed from questionnaire responses submitted by those interested in being placed on CEQ's mailing list. As a report is completed, the Information Officer notifies the public and questionnaire respondents expressing interest in the report topics through a press release. Several general interest magazines and trade journals also identify and discuss current CEQ publications.

CEQ fills hundreds of requests for publications monthly. Based on a review of requestors for CEQ publications during the period March 1 to June 30, 1980, we found the following:

Type of requestor	No. of requests
Individuals	177
Industry	158
Colleges and universities	97
State and local governments	91
Federal agencies	75
Environmental organizations	57
Foreign (all types)	29
The Congress	16
Total	700

According to a Government Printing Office official, the public is interested in CEQ reports. For instance, as evidenced by their sales in Government Printing Office bookstores, about half of the Government Printing Office's stock of 6,500 extra copies of "Environmental Quality--1979" had been sold at the time of our review. Also, based on our interviews with 15 requestors of CEQ publications, we found that they believe the reports to be timely, readable, informative, and accurate.

Computerized system analyzes environmental data

To improve its ability to gather and analyze environmental data, CEQ developed a computer capability--user prompted graphic data evaluation (UPGRADE)--to do advanced trend analysis on environmental conditions. UPGRADE can sort, analyze, and process large quantities of data generated by Federal agencies.

UPGRADE is designed so that it does not require special computer language, specialized skills, or technical procedures to use. CEQ officials stated that because UPGRADE is relatively uncomplicated, persons with limited knowledge of computers can perform intricate studies. UPGRADE provides information through remote terminals and can present it in graphs, charts, or maps.

UPGRADE, which has been under development during the last 5 years, has been supported by a number of Federal agencies and the State of New Jersey, which now use its products. The following chart shows UPGRADE's participants and funding support.

Participant	Funding provided during fiscal years 1975-80	Percent of total
CEQ	$ 937,014	21
EPA	2,482,454	56
Department of Energy	390,000	9
National Cancer Institute	210,000	5
U.S. Geological Survey	90,000	2
Water Resources Council	41,000	1
New Jersey	57,000	1
Department of Agriculture	7,000	0.2
Food and Drug Administration	191,000	4
Fish and Wildlife Service	20,000	0.4
Army Corps of Engineers	20,000	0.4
Total	$4,445,468	100.0

In 1979 about 25 environmental studies were generated by UPGRADE involving more than 1,000 hours of computer time. These studies were used in formulating programs and policies by various Federal agencies. Reports from UPGRADE are also incorporated into CEQ's annual environmental quality report and its "Environmental Statistics" publications.

CEQ HAS SOME REGULATORY FUNCTIONS UNDER NEPA

Although it is primarily a policy-oriented body, CEQ does have a limited regulatory function for ensuring that the environmental reporting requirements set forth in NEPA are followed by Federal agencies. On May 24, 1977, Executive Order 11991 directed CEQ to prepare and issue regulations for Federal agencies to follow in meeting environmental reporting and other procedural requirements under NEPA and for ensuring that the regulations are met. Specifically, CEQ is responsible for

--issuing basic content and preparation requirements for EISs,

--resolving disputes between Federal agencies over environmentally controversial Federal proposals or projects,

--keeping delays over NEPA procedures and paperwork to a minimum, and

--providing advice and counsel to agencies.

Overall, we found that CEQ considered a wide range of comments in developing and implementing regulations for NEPA. It has also performed followup reviews to assess and correct deficiencies in agencies' EIS. CEQ's performance in this area was, in fact, commended by the Office of Management and Budget in 1979. It stated that CEQ's regulations under NEPA were well written and designed to reduce paperwork and delay.

From the date of Executive Order 11991 (May 1977) until final regulations were published in the Federal Register on November 29, 1978, CEQ used extensive resources to draft, develop, review in public hearings, and refine the NEPA procedural regulations. As a result of analysis and discussion, CEQ made numerous changes involving 74 of the 92 sections of the regulations. Agencies were then required to submit their implementing procedures and rules to CEQ for review. Of the 89 affected agencies, approximately 35 had not yet obtained CEQ approval of their EIS procedure as of January 1981. Consequently, CEQ's primary role in implementing NEPA has been to reduce the volume of EIS paperwork and cut processing delays.

In the President's Reorganization Plan No. 1 of July 1977, certain CEQ administrative responsibilities were transferred to EPA, including the filing of EISs. However, CEQ continues to periodically review agencies' EISs, primarily to ensure that they meet with requirements. During the summer of 1980, CEQ conducted a review of recent EISs filed with EPA and implemented a training program (conducted at each EPA regional office) to correct noted deficiencies.

CEQ also advises and assists in resolving disagreements among Federal agencies over environmentally controversial Federal projects or proposals. Over the last 3 years, it has been involved in fewer than 10 such cases annually. In these cases, CEQ reviews an issue formally referred to it by another Federal agency after a final EIS has been filed. CEQ may, after its review, offer an opinion on the statement's conformance to CEQ's regulations and may also, depending on the sensitivity of the project, comment on the substance of the EIS.

CHAPTER 4

NEED FOR CEQ

A basic assumption underlying the creation of CEQ was that environmental quality was a major concern to mankind and our Nation and that an agency was needed to coordinate and oversee a national policy to ensure the protection of our national resources. That assumption is still valid and CEQ plays an important role in carrying it out, according to many of the persons we contacted. They view CEQ's role as continuing to be of national importance for many years to come.

A White House spokesman told us that because of CEQ's unique position in the Executive Office of the President and its role as advisor to the President and to the Congress, CEQ has gained the reputation for being an effective and needed agency and it is doubtful that another agency could effectively fill that role. Representatives of other agencies agreed.

Additionally, many noted that there are several factors which would make it difficult for another agency to effectively carry out CEQ's role--foremost of which is the nature of the role itself. CEQ is primarily a policy-formulating and advisory organization, not a regulatory agency, and its position in the Executive Office theoretically precludes the development of parochial interests. Persons we spoke with stated that CEQ provides a different perspective--separate and distinct from regulatory agencies--on environmental matters. They believe that this perspective allows CEQ to produce reports that are generally accepted as fair and representative. This acceptance may not be as widespread for reports prepared by regulatory agencies, as their reports may be viewed as biased toward their particular responsibility.

Finally, the question of retaining CEQ was raised in the 1977 plan to reorganize the Executive Office of the President. The Carter administration considered alternatives that could have eliminated or seriously altered CEQ. Although a decision was made to transfer certain administrative functions from CEQ to EPA, the option to eliminate CEQ was not accepted. Four years after the reorganization, a member of the White House staff informed us that he believes the decision to retain CEQ was correct.

CONCLUSIONS

CEQ is a relatively small agency that, overall, enjoys a reputation for being effective. It has successfully carried out its responsibilities as advisor to the Carter administration on environmental issues, according to a White House representative. It has formulated and issued regulations for Federal agencies to follow in reporting the environmental impact of programs. It chairs or serves as a member of several interagency committees which aid in overseeing the environmental effects

of Federal programs. It has published and disseminated various environmental studies to the public and is recognized as a clearinghouse for environmental information. In summary, CEQ has been successful in carrying out its responsibilities.

The consensus of opinion of those we talked to is that CEQ's role is unique and is best filled by the current arrangement of primarily a nonregulatory advisory body within the Executive Office of the President. We perceive a continuing need for the delicate role of balancing environmental concerns with the many Federal programs dealing with other national concerns, such as energy development and economic growth.

AGENCY COMMENTS

In commenting on the report, CEQ stated that it had no disagreements. (CEQ provided some recommended editorial changes which have been incorporated where appropriate.)

CEQ'S APPROPRIATION HISTORY

Fiscal year	Total appropriations
1970	$ 350,000
1971	1,500,000
1972	2,300,000
1973	2,550,000
1974	2,466,000
1975	2,500,000
1976	2,736,000
1977	2,800,000
1978	2,854,000
1979	3,026,000
1980	3,126,000
1981	3,445,000

APPENDIX II

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
722 JACKSON PLACE, N. W.
WASHINGTON, D. C. 20006

January 27, 1981

Dear Mr. Eschwege:

Thank you for asking us to review and comment on the draft copy of your report "The Council on Environmental Quality -- A Tool in Shaping National Environmental Policy." The report reflects the careful and thoughtful review of the Council's activities which GAO staff performed during the last five months of 1980. Enclosed is a copy of the draft report containing, in the margin, our suggested changes. These changes involve factual or minor editorial matters. We have no disagreements with the substantive findings and conclusions of the report.

Sincerely yours,

Malcolm Baldwin
Acting Chairman

Mr. Henry Eschwege
Director
Community and Economic
Development Division
U.S. General Accounting Office
Washington, D.C. 20548

Enclosure

(089156)